

## UNIVERSITY POLICY

<b>Policy Name:</b>	Employee Relocation Expense Reimbursement				
<b>Section #:</b>	40.2.22	<b>Section Title:</b>	Fiscal Management	<b>Formerly Book:</b>	6.1.13
<b>Approval Authority:</b>	Executive Vice President for Finance and Administration and University Treasurer		<b>Adopted:</b>	1988	<b>Reviewed:</b> 08/27/2018
<b>Responsible Executive:</b>	Vice President for Finance and Budget		<b>Revised:</b>	09/29/2000; 04/04/2004; 05/02/2005; 08/24/2006; 07/24/2007; 04/2008; 10/01/2013; 10/23/2013; 08/27/2018	
<b>Responsible Office:</b>	University Controller's Office (Tax Department & Payroll Services) and University Procurement Services		<b>Contact:</b>	University Controller's Office: Tax Dept.: 848-445-2054 Payroll Services: 848-445-2283 University Procurement: 848-445-4375	

### 1. Policy Statement

It is the policy of Rutgers University (the "**University**") to provide reasonable, necessary, and appropriate "**relocation expenses**" (as defined below) for new employees.

It is the responsibility of each department to ensure that any covered expenses qualify as relocation expenses and to bear such relocation expenses within its budget.

### 2. Reason for Policy

To provide guidance on the payment of relocation expenses for new employees.

### 3. Who Should Read This Policy

All members of the University community involved in recruiting and hiring new employees.

### 4. Resources

Procedures to implement this policy are posted on the following websites:

Office of the University Controller:

University Tax Department ("Tax"): [Procedure for Reimbursement of Relocation Expenses](#)

University Payroll Services ("Payroll"): [Taxable Moving Expense Reimbursement Form – Fillable PDF Version](#)

University Procurement Services ("Procurement"): <https://procurementservices.rutgers.edu/process-employee-relocation-reimbursement>

## 5. Definitions

The term **relocation expenses** means the reasonable and actual costs incurred for (1) moving personal household effects to a location within proximity to the campuses of the University; (2) travel expenses to relocate the new employee, the new employee's spouse, and the new employee's dependent children to a new place of residence within proximity of the campuses of the University; (3) moving laboratory/office equipment to a location that is a University office, laboratory, or place of business; (4) the cost of short-term storage of household effects; and (5) shipment of automobile(s) to the employee's new residence within proximity to the campuses of the University. Actual costs are monies expended to compensate for hired labor and equipment to load, move, and unload tangible property.

Examples of such costs include the rental of trucks, trailers, moving equipment, or other expenses directly related to the relocation. Relocation Expenses do not include compensation for labor of a new employee or a new employee's spouse/dependents. Relocation Expenses must be supported by original receipts.

## 6. The Policy

The University may provide relocation expenses for new employees. At the time an offer is extended to a prospective employee, the hiring department may elect to directly pay for or reimburse that new employee's relocation expenses. The decision of whether to cover relocation expenses and the extent to which such relocation expenses will be covered should be guided, at a minimum, by the following criteria:

- The hiring department's access to budgetary resources;
- The total estimated relocation expenses;
- The benefits that accrue to the University and the hiring department as a result of the new employee; and
- The nature of the position being filled by the new employee.

The hiring department must cover all approved relocation expenses within such department's own budget. It is the hiring department's responsibility to ensure that all costs to be borne by its budget qualify as relocation expenses.

### A. Payment or Reimbursement of Relocation Expenses

Relocation expenses may be paid directly by the University through Procurement. Procurement, upon notification by the hiring department, will coordinate with the new employee to assist in the selection of a University approved commercial moving company to perform the move and complete the necessary billing procedures. The hiring department must submit a purchase requisition to Procurement for approval. Upon approval, Procurement will forward the purchase order to the selected moving company.

The hiring department may permit a new employee to make personal relocation arrangements with subsequent reimbursement. All expenses submitted for reimbursement must continue to fall within the definition of Relocation Expenses set forth in section 5 of this Policy. Estimates are not required for self-moves.

### B. Travel Expenses

Relocation expenses may include travel expenses of the new employee and such employee's spouse and dependent children if such expenses are associated with their relocation. Such travel expenses may include the (1) cost of meals and accommodations required in transit, and (2) cost of travel in advance of the relocation for the sole purpose of searching for a new

residence within proximity to the campuses of the University. In order to qualify as reasonable, such travel expenses must not exceed the lowest logical coach class airfare by the most direct route from the new employee's place of current residence to the vicinity of the University's campuses. Departments are expected to strongly encourage travelers to use one of the University's preferred travel agencies to book their arrangements. Users are referred to the travel website at <https://procurementservices.rutgers.edu/travel>.

## 7. Taxation of Relocation Expenses

All relocation expenses (except the expenses of moving laboratory equipment or office equipment from a previous office to a University office), incurred during the calendar years 2018 through 2025, constitute taxable income to the employee pursuant to the enactment of the [Tax Cut and Jobs Act of 2017 \(Pub. L. 115-97\)](#). Previously, Federal law drew a distinction between "qualified" moving expenses and other expenses. "Qualified" moving expenses could be paid or reimbursed on a non-taxable basis. That is no longer the case for calendar years 2018 through 2025. All relocation expenses must be included in the employee's taxable income and are subject to all applicable withholding taxes.

The hiring department, in its discretion and subject to the availability of funds, may provide a gross-up of the reimbursement to cover Federal income taxes incurred for relocation expenses paid by the University.

## 8. Questions and Assistance

The following offices are available for further information and assistance on this matter:

	Telephone
Payroll Services	848-445-2283
Procurement Services	848-445-4375
Tax Department	848-445-2054